

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

A.I.B. EXPRESS, INC.)	
)	Case No.: 2003 CV 8087
Plaintiff,)	
)	
vs.)	FEDERAL EXPRESS
)	CORPORATION'S ANSWER AND
)	AFFIRMATIVE DEFENSES
FEDEX CORPORATION)	
and FEDERAL EXPRESS.)	
CORPORATION,)	
)	
Defendants.)	
)	

COMES NOW Defendants, FedEx Corporation and Federal Express Corporation (collectively referred to as "FedEx") and responds to Plaintiff AIB Express, Inc.'s ("AIB") Verified Complaint ("Complaint") as follows:

NATURE OF THE ACTION

In response to AIB's introductory paragraph to its Amended Complaint, FedEx denies AIB's description of its performance as a jewelry shipment facilitator in its previous arrangement with FedEx. FedEx denies that it is determined to enter AIB's line of business directly. FedEx denies that it is using AIB's confidential information to solicit AIB's customers.

FedEx admits that it terminated the August 1999 Pricing Agreement ("the Agreement") with AIB pursuant to a valid thirty (30) day termination clause contained in the Agreement. FedEx further admits that it has offered AIB a new agreement with different pricing arrangements. FedEx denies AIB's characterization of the terms and conditions of the new agreement offered to AIB. FedEx admits that the effective date of

the termination of the Agreement was October 20, 2003. FedEx denies that it has market power in any relevant market. FedEx denies that any changes implemented by FedEx will be financially disastrous to AIB.

I. JURISDICTION AND VENUE

1. The allegations contained in paragraph 1 of the Amended Complaint constitute legal conclusions to which a response is neither required nor given. To the extent a response is required, FedEx denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

2. FedEx admits that it does business in the state of New York, derives revenue from services provided in New York and owns and/or possesses real property in the state of New York. FedEx denies the remaining allegations contained in paragraph 2 of the Amended Complaint.

3. FedEx admits the allegation contained in paragraph 3 of the Amended Complaint.

4. The allegations contained in paragraph 4 of the Amended Complaint constitute legal conclusions to which a response is neither required nor given. To the extent a response is required, FedEx denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

5. The allegations contained in paragraph 5 of the Amended Complaint constitute legal conclusions to which a response is neither required nor given. To the extent a response is required, FedEx denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

II. THE PARTIES

6. FedEx admits the allegations contained in paragraph 6 of the Amended Complaint, upon information and belief.

7. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 7 of the Amended Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

8. FedEx admits the allegations contained in paragraph 8 of the Amended Complaint, but denies that FedEx Corporation is a proper party to this action.

9. FedEx admits the allegations contained in paragraph 9 of the Amended Complaint.

10. FedEx admits the allegations contained in paragraph 10 of the Amended Complaint.

11. The allegations contained in paragraph 11 of the Amended Complaint do not require a response.

12. FedEx admits the allegations contained in paragraph 12 of the Amended Complaint.

13. The allegations contained in paragraph 13 of the Amended Complaint constitute legal conclusions to which a response is neither required nor given. To the extent a response is required, FedEx denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

III. COMMON FACTUAL ALLEGATIONS RELEVANT TO ALL COUNTS

A. BACKGROUND AS TO THE TRADE AND COMMERCE INVOLVED

14. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 14 of the Amended Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

15. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations that FedEx is one of the largest transportation companies in the world and that FedEx Express is the world's largest express transportation company because the term "largest" is not sufficiently defined. FedEx admits the remaining allegations contained in paragraph 15 of the Amended Complaint.

16. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations that FedEx is the dominant provider of overnight package and envelope delivery service in the United States because the term "dominant provider" is not sufficiently defined. FedEx admits the remaining allegations contained in paragraph 16 of the Amended Complaint.

17. FedEx admits the allegations contained in paragraph 17 of the Amended Complaint.

18. FedEx admits the allegations contained in paragraph 18 of the Complaint.

19. FedEx admits the allegations contained in paragraph 19 of the Complaint.

20. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 20 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

21. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 21 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

22. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 22 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

23. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 23 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

24. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 24 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

25. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 25 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

26. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 26 of the Complaint and, therefore,

denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

27. FedEx admits only that AIB was to generally perform the functions set forth in paragraph 27 (in addition to other functions) pursuant to the original jewelry consolidator business model and pursuant to the 1999 Agreement with FedEx. FedEx, however, is without knowledge sufficient to admit or deny whether AIB actually performed these functions and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

28. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 28 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

29. FedEx denies that AIB is the only entity that meets the requirements of the Diamond District for secure, insured, reliable, overnight delivery of its unique products to merchants and customers across the United States. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the remaining allegations contained in paragraph 29 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

B. RELATIONSHIP OF THE PARTIES

30. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 30 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

31. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 31 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

32. FedEx admits that it entered into an agreement with AIB in August 1999 wherein AIB would act as a jewelry consolidator utilizing the consolidator business model. FedEx denies the remaining allegations contained in paragraph 34 of the Complaint.

33. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the particulars of AIB's business model as set forth in paragraphs 35a through 35h and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

34. FedEx admits only that the 1999 Agreement between FedEx and AIB was dated August 11, 1999. FedEx denies the remaining allegations contained in paragraph 34 of the Complaint.

35. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 35 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

36. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 36 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

37. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 37 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

38. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 38 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

39. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 39 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

40. FedEx is without knowledge sufficient at this time to form a belief as to the truth or accuracy of the allegations contained in paragraph 40 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

41. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 41 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

42. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 42 of the Complaint and, therefore,

denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

43. FedEx admits that FedEx provides AIB with shipping bills for FedEx's shipping services provided to AIB and that AIB is to pay FedEx for said shipping services. FedEx denies the remaining allegations contained in paragraph 43 of the Complaint.

44. FedEx admits that AIB received a discounted shipping rate. FedEx denies, however, that said discount was based solely on the volume of business, services provided and costs assumed by AIB; rather, said discount was based on a variety of factors, including, but not limited to, these factors.

45. FedEx admits that its shipping rates have changed from time to time. FedEx denies the remaining allegations contained in paragraph 45 of the Complaint.

46. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 46 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

47. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 47 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

48. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 48 of the Complaint and, therefore,

denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

49. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 49 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

50. FedEx admits only that certain information is included on labels attached to packages shipped by FedEx. FedEx denies the remaining allegations contained in paragraph 50 of the Complaint.

51. FedEx denies the allegations contained in paragraph 51 of the Complaint.

52. FedEx admits that the information set forth in paragraphs 52a through 52d may be, but is not always, included on labels attached to packages shipped by FedEx. FedEx denies that this information is confidential and proprietary.

53. FedEx denies the allegations contained in paragraph 53 of the Complaint.

54. FedEx admits only that it has access to the information included on labels attached to packages shipped by FedEx. FedEx denies the remaining allegations contained in paragraph 54 of the Complaint.

55. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 55 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

56. FedEx denies that the shipping information AIB obtains from its customers is confidential and proprietary. FedEx is without knowledge sufficient to form

a belief as to the truth or accuracy of the remaining allegations contained in paragraph 56 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

57. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 57 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

58. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 58 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

59. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 59 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

60. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 60 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

61. FedEx denies that FedEx is essential to AIB for AIB to be able to perform the functions set forth in paragraphs 62-72. FedEx is also without knowledge sufficient to determine whether the allegations set forth in paragraphs 62-72 constitute “key elements” necessary to make AIB’s business successful and, therefore, denies the

allegations contained in paragraphs 61-72 and demands strict proof thereof if its rights are to be affected thereby.

62. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 62 of the Complaint. FedEx is also without knowledge sufficient to determine whether the allegations set forth in paragraph 62 constitute a “key element” necessary to make AIB’s business successful and, therefore, denies the allegations contained in paragraph 62 and demands strict proof thereof if its rights are to be affected thereby.

63. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 63 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 63 constitute a “key element” necessary to make AIB’s business successful and, therefore, denies the allegations contained in paragraph 63 and demands strict proof thereof if its rights are to be affected thereby.

64. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 64 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 64 constitute a “key element” necessary to make AIB’s business successful and, therefore, denies the allegations contained in paragraph 64 and demands strict proof thereof if its rights are to be affected thereby.

65. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 65 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 65 constitute a “key element”

necessary to make AIB's business successful and, therefore, denies the allegations contained in paragraph 65 and demands strict proof thereof if its rights are to be affected thereby.

66. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 66 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 66 constitute a "key element" necessary to make AIB's business successful and, therefore, denies the allegations contained in paragraph 66 and demands strict proof thereof if its rights are to be affected thereby.

67. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 67 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 67 constitute a "key element" necessary to make AIB's business successful and, therefore, denies the allegations contained in paragraph 67 and demands strict proof thereof if its rights are to be affected thereby.

68. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 68 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 68 constitute a "key element" necessary to make AIB's business successful and, therefore, denies the allegations contained in paragraph 68 and demands strict proof thereof if its rights are to be affected thereby.

69. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 69 of the Complaint. FedEx is without knowledge sufficient to

determine whether the allegations set forth in paragraph 69 constitute a “key element” necessary to make AIB’s business successful and, therefore, denies the allegations contained in paragraph 69 and demands strict proof thereof if its rights are to be affected thereby.

70. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 70 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 70 constitute a “key element” necessary to make AIB’s business successful and, therefore, denies the allegations contained in paragraph 70 and demands strict proof thereof if its rights are to be affected thereby. FedEx denies, however, that it needs certain confidential information to ship the packages.

71. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 71 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 71 constitute a “key element” necessary to make AIB’s business successful and, therefore, denies the allegations contained in paragraph 71 and demands strict proof thereof if its rights are to be affected thereby. FedEx denies, however, that it has misused confidential information for its own benefit to the detriment of AIB which provided it.

72. FedEx denies that FedEx is necessary for AIB to perform the function set forth in paragraph 72 of the Complaint. FedEx is without knowledge sufficient to determine whether the allegations set forth in paragraph 72 constitute a “key element” necessary to make AIB’s business successful and, therefore, denies the allegations

contained in paragraph 72 and demands strict proof thereof if its rights are to be affected thereby.

73. FedEx denies that AIB built up this particular line of business with FedEx and denies that AIB did anything on behalf of FedEx. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the remaining allegations contained in paragraph 73 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

74. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 74 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

75. FedEx denies the allegations contained in paragraph 75 of the Complaint.

76. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 76 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

77. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 77 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

78. FedEx denies the allegations contained in paragraph 78 of the Complaint.

79. FedEx denies the allegations contained in paragraph 79 of the Complaint.

C. THE RECENT CONDUCT OF DEFENDANTS

80. FedEx denies the allegations contained in paragraph 80 of the Complaint.

81. FedEx denies the allegations contained in paragraph 81 of the Complaint.

82. FedEx denies the allegations contained in paragraph 82 of the Complaint.

83. FedEx denies the allegations contained in paragraph 83 of the Complaint.

84. FedEx admits that it offers a service called “DVX.” FedEx denies AIB’s characterization of DVX as set forth in paragraphs 80-83 of the Complaint.

85. FedEx denies AIB’s summarization and characterization of the specific communication between FedEx and AIB as alleged in paragraph 85 of the Complaint.

86. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 86 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

87. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 87 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby. FedEx denies, however, that it utilized any confidential and proprietary information of AIB for any purpose whatsoever.

88. FedEx avers that its website speaks for itself. FedEx denies the remaining allegations contained in paragraph 88 of the Complaint to the extent that they differ from the actual information set forth on the website.

89. FedEx avers that its website speaks for itself. FedEx denies the remaining allegations contained in paragraph 89 of the Complaint to the extent that they differ from the actual information set forth on the website.

90. FedEx avers that its website speaks for itself. FedEx denies the remaining allegations contained in paragraph 90 of the Complaint to the extent that they differ from the actual information set forth on the website. FedEx denies that it has access to any AIB database.

91. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 91 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

92. FedEx specifically denies that AIB helped to develop any market for FedEx. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the remaining allegations contained in paragraph 92 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

93. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 93 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

94. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 94 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

95. FedEx denies the allegations contained in paragraph 95 of the Complaint in that it is vague as currently pled.

96. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 96 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

97. FedEx denies the allegations contained in paragraph 97 of the Complaint.

98. FedEx denies the allegations contained in paragraph 98 of the Complaint in that it is vague as currently pled.

99. FedEx denies the allegations contained in paragraph 99 of the Complaint in that it is vague as currently pled.

100. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 100 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

101. FedEx admits the allegations contained in paragraph 101 of the Complaint.

102. FedEx admits that it presented AIB with a letter dated September 5, 2003 at the September 16, 2003 meeting between representatives of AIB and FedEx. FedEx avers that the letter speaks for itself. FedEx denies the remaining allegations contained in paragraph 102 of the Complaint.

103. FedEx admits that it advised AIB that it could enter into a new agreement with FedEx. FedEx denies the remaining allegations contained in paragraph 103 of the Complaint.

104. FedEx believes that the allegation contained in paragraph 104 is supposed to read “AIB was advised.” If this is the correct reading of this allegation, FedEx denies that AIB was advised that it could not third party bill. AIB was advised that it could third party bill at list rates.

105. FedEx denies the allegations contained in paragraph 105 of the Complaint.

106. FedEx denies the allegations contained in paragraph 106 of the Complaint in that it is vague as currently pled. FedEx further denies AIB’s vague characterization of how customers may conduct business with FedEx.

107. FedEx denies that AIB was told that it would no longer have the bulk, discounted shipping rates available to it. FedEx avers that it validly terminated the 1999 Agreement with FedEx and offered AIB a new agreement with rates at a 30% discount. FedEx denies the remaining allegations contained in paragraph 107 of the Complaint.

108. FedEx denies the allegations contained in paragraph 108 of the Complaint.

109. FedEx denies the allegations contained in paragraph 109 of the Complaint.

D. OTHER COMPANIES IMPACTED

110. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the extent of similarity between AIB’s business and other businesses it refers to in paragraph 110 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

111. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the extent of similarity between AIB’s business and the other businesses it refers to in paragraph 111 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

112. FedEx admits that it terminated pricing agreements with certain customers who had similar pricing agreements and discounts as AIB. These agreements were terminated pursuant to thirty (30) day termination provisions in the agreements. FedEx does not know the extent of similarity between these businesses and AIB. FedEx denies the remaining allegations contained in paragraph 112 of the Complaint.

E. THE HARM CAUSED BY THESE ACTIONS

113. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 113 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

114. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 114 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

115. FedEx denies the allegations contained in paragraph 115 of the Complaint, including subparts.

116. FedEx denies that the United States Postal Service and DHL/Airborne are not bona fide competitors of FedEx. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the remaining allegations contained in paragraph 116 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

117. FedEx denies that UPS is not a bona fide competitor of FedEx. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the remaining

allegations contained in paragraph 117 of the Complaint, including footnotes, and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

118. FedEx denies the allegations contained in paragraph 118 of the Complaint.

119. FedEx denies the allegations contained in paragraph 119 of the Complaint.

120. FedEx admits that efficiency was one of the grounds for canceling the 1999 Agreement with AIB. FedEx denies the remaining allegations contained in paragraph 120 of the Complaint.

121. FedEx denies the allegations contained in paragraph 121 of the Complaint, including footnotes.

122. FedEx denies the allegations contained in paragraph 122 of the Complaint.

123. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 123 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

124. FedEx denies the allegations contained in paragraph 124 of the Complaint.

125. FedEx denies the allegations contained in paragraph 125 of the Complaint.

126. FedEx denies the allegations contained in paragraph 126 of the Complaint.

127. FedEx denies the allegations contained in paragraph 127 of the Complaint.

128. FedEx denies the allegations contained in paragraph 128 of the Complaint.

129. FedEx denies the allegations contained in paragraph 129 of the Complaint.

130. FedEx denies the allegations contained in paragraph 130 of the Complaint.

131. FedEx denies the allegations contained in paragraph 131 of the Complaint.

132. FedEx denies the allegations contained in paragraph 132 of the Complaint.

133. FedEx denies the allegations contained in paragraph 133 of the Complaint.

134. FedEx denies the allegations contained in paragraph 134 of the Complaint.

135. FedEx denies the allegations contained in paragraph 135 of the Complaint.

136. FedEx denies the allegations contained in paragraph 136 of the Complaint.

137. FedEx denies the allegations contained in paragraph 137 of the Complaint.

138. FedEx denies the allegations contained in paragraph 138 of the Complaint.

139. FedEx denies the allegations contained in paragraph 139 of the Complaint.

140. FedEx denies the allegations contained in paragraph 140 of the Complaint.

141. FedEx denies the allegations contained in paragraph 141 of the Complaint.

142. FedEx denies the allegations contained in paragraph 142 of the Complaint.

143. FedEx denies the allegations contained in paragraph 143 of the Complaint.

144. FedEx admits that it does not provide all-risk coverage. FedEx admits that it allows its customers to declare a value for their shipments. FedEx denies the remaining allegations contained in paragraph 144 of the Complaint.

145. FedEx admits that some shipments it handles involve interstate commerce. FedEx denies the remaining allegations contained in paragraph 145 of the Complaint.

146. FedEx denies the allegations contained in paragraph 146 of the Complaint.

147. FedEx denies the allegations contained in paragraph 147 of the Complaint.

148. FedEx denies the allegations contained in paragraph 148 of the Complaint.

149. FedEx denies the allegations contained in paragraph 149 of the Complaint.

150. FedEx denies the allegations contained in paragraph 150 of the Complaint as they are vague as currently pled.

151. FedEx denies the allegations contained in paragraph 151 of the Complaint.

152. FedEx denies the allegations contained in paragraph 152 of the Complaint.

153. FedEx denies the allegations contained in paragraph 153 of the Complaint.

154. FedEx denies the allegations contained in paragraph 154 of the Complaint.

155. The allegations in OneService's Complaint speak for themselves. FedEx denies the remaining allegations contained in paragraph 155 of the Complaint.

156. FedEx denies the allegations contained in paragraph 156 of the Complaint.

157. FedEx denies the allegations contained in paragraph 157 of the Complaint.

158. FedEx denies the allegations contained in paragraph 158 of the Complaint.

159. FedEx denies the allegations contained in paragraph 159 of the Complaint, including subparts.

160. FedEx denies the allegations contained in paragraph 160 of the Complaint.

161. FedEx denies the allegations contained in paragraph 161 of the Complaint.

162. FedEx admits that it may determine that a prospective customer may not utilize DVX. FedEx may make such a determination for any prospective customer who wishes to use any of FedEx's services. FedEx denies the remaining allegations contained in paragraph 162 of the Complaint.

163. FedEx denies the allegations contained in paragraph 163 of the Complaint.

164. FedEx denies the allegations contained in paragraph 164 of the Complaint.

165. FedEx is without knowledge sufficient to form a belief as to the truth or accuracy of the allegations contained in paragraph 165 of the Complaint and, therefore, denies said allegations and demands strict proof thereof if its rights are to be affected thereby.

166. FedEx denies the allegations contained in paragraph 166 of the Complaint.

IV. AS AND FOR THE FIRST CAUSE OF ACTION

MONOPOLY LEVERAGING

National Facilitator Market – Transportation Market

167. FedEx reasserts and incorporates by reference its responses to paragraphs 1-166 of the Complaint.

168. FedEx denies the allegations contained in paragraph 168 of the Complaint.

169. FedEx denies the allegations contained in paragraph 169 of the Complaint.

170. FedEx denies the allegations contained in paragraph 170 of the Complaint.

171. FedEx denies the allegations contained in paragraph 171 of the Complaint.

V. AS AND FOR A SECOND CAUSE OF ACTION

MONOPOLY LEVERAGING

National Facilitator Market – Jewelry Transportation Market

172. FedEx reasserts and incorporates by reference its responses to paragraphs 1-171 of the Complaint.

173. FedEx denies the allegations contained in paragraph 173 of the Complaint.

174. FedEx denies the allegations contained in paragraph 174 of the Complaint.

175. FedEx denies the allegations contained in paragraph 175 of the Complaint.

176. FedEx denies the allegations contained in paragraph 176 of the Complaint.

VI. AS AND FOR A THIRD CAUSE OF ACTION

MONOPOLY LEVERAGING

New York Facilitator Market – Transportation Market

177. FedEx reasserts and incorporates by reference its responses to paragraphs

1-176 of the Complaint.

178. FedEx denies the allegations contained in paragraph 178 of the Complaint.

179. FedEx denies the allegations contained in paragraph 179 of the Complaint.

180. FedEx denies the allegations contained in paragraph 180 of the Complaint.

181. FedEx denies the allegations contained in paragraph 181 of the Complaint.

VII. AS AND FOR A FOURTH CAUSE OF ACTION

MONOPOLY LEVERAGING

New York Facilitator Market – Jewelry Transportation Market

182. FedEx reasserts and incorporates by reference its responses to paragraphs

1-181 of the Complaint.

183. FedEx denies the allegations contained in paragraph 183 of the Complaint.

184. FedEx denies the allegations contained in paragraph 184 of the Complaint.

185. FedEx denies the allegations contained in paragraph 185 of the Complaint.

186. FedEx denies the allegations contained in paragraph 186 of the Complaint.

VIII. AS AND FOR A FIFTH CAUSE OF ACTION

ATTEMPT TO MONOPOLIZE – National Facilitator Market

187. FedEx reasserts and incorporates by reference its responses to paragraphs

1-186 of the Complaint.

188. FedEx denies the allegations contained in paragraph 187 of the Complaint.

189. FedEx denies the allegations contained in paragraph 187 of the Complaint.

190. FedEx denies the allegations contained in paragraph 190 of the Complaint.

IX. AS AND FOR A SIXTH CAUSE OF ACTION

ATTEMPT TO MONOPOLIZE – New York Facilitator Market

191. FedEx reasserts and incorporates by reference its responses to paragraphs 1-190 of the Complaint.

192. FedEx denies the allegations contained in paragraph 192 of the Complaint.

193. FedEx denies the allegations contained in paragraph 193 of the Complaint.

194. FedEx denies the allegations contained in paragraph 194 of the Complaint.

X. RELIEF REQUESTED

195. FedEx denies that AIB is entitled to any of the relief requested in paragraphs 1 through 9 of Section X of the Complaint.

196. FedEx denies all allegations of the Complaint which have not heretofore been admitted or denied.

197. FedEx denies that AIB is entitled to any relief whatsoever.

AFFIRMATIVE DEFENSES

FedEx asserts the following affirmative defenses to the allegations of the Complaint:

First Affirmative Defense

The Complaint, and each and every count thereof, separately and severally, fails to state a claim upon which relief can be granted.

Second Affirmative Defense

AIB's claims are barred or limited by the terms and conditions of the FedEx Standard Pricing Program Terms and Conditions Agreement dated August 11, 1999 ("1999 Agreement") between FedEx and AIB and the applicable FedEx Service Guide which was incorporated into the 1999 Agreement by reference.

Third Affirmative Defense

AIB's claims are barred in whole or in part by its own breach of contract.

Fourth Affirmative Defense

AIB's claims are barred in whole or in part by its failure to avoid, minimize or mitigate damages.

Fifth Affirmative Defense

The exclusive remedy for the claims in the complaint is to petition the U.S. Department of Transportation for relief pursuant to 49 U.S.C. § 41712 and the implementing regulations thereunder.

Sixth Affirmative Defense

AIB lacks standing to assert the claims set forth in the Complaint.

Seventh Affirmative Defense

AIB's claims for equitable relief are barred in whole or in part by the fact that AIB has an adequate remedy at law.

Eighth Affirmative Defense

AIB's claims are barred in whole or in part by the doctrines of waiver and estoppel.

Ninth Affirmative Defense

AIB's claims are barred in whole or in part by the doctrine of ratification.

Tenth Affirmative Defense

AIB's claims for equitable relief are barred in whole or in part by the existence of enforceable contracts that define the rights of the parties.

Eleventh Affirmative Defense

AIB's claims pursuant to the Clayton Act and Sherman Act are barred in whole or in part by AIB's failure to properly plead the elements of such claims.

Twelfth Affirmative Defense

Any damage or injury suffered by AIB was caused by its own conduct.

Thirteenth Affirmative Defense

FedEx avers that it is not guilty of any conduct proximately resulting in any injury or damages to AIB.

Fourteenth Affirmative Defense

AIB's antitrust claims are barred because AIB has not suffered antitrust injury that the antitrust laws were designed to prevent.

Fifteenth Affirmative Defense

AIB's antitrust claims are barred by its failure to properly define relevant markets for each of its antitrust claims.

Sixteenth Affirmative Defense

AIB's antitrust claims are barred because there is no anticompetitive conduct by FedEx sufficient to support an antitrust claim.

WHEREFORE, FedEx prays for judgment in its favor and an award of the costs incurred in its defense.

Respectfully Submitted,

FEDERAL EXPRESS CORPORATION

/s/

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon counsel for Plaintiff, this ____ day of _____, 2004, via FedEx Overnight Priority Delivery to the following:

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